PhillipCapital
PRIVATE CLIENT GROUP

Interarch Building Solutions Ltd (INTERARC IN)

A beat on all fronts, Expect momentum to continue in FY26

INDIA | SMALLCAP| RESULT UPDATE

23 May 2025

BUY (Maintain)
CMP Rs 2056
TARGET Rs 2466.7 (+20%)

COMPANY DATA

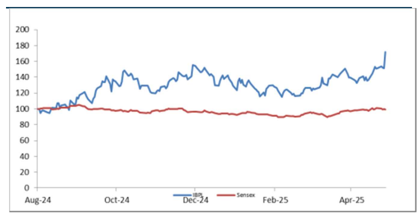
O/S SHARES (MN) :	16.6
MARKET CAP (RS MN) :	34212.7
MARKET CAP (USD MN) :	396.5
52 - WK HI/LO (RS) :	2220/1111
TRADING VOL. 3M (000) :	79.5
PAR VALUE (RS) :	10

SHARE HOLDING PATTERN, %

PROMOTERS :	59.9
FII / FPI :	4.7
FI / MF :	6.5
PUBLIC & OTHERS :	28.9

SHP as on March 2025

PRICE Vs. SENSEX



Source: PhillipCapital India Research

Key takeaways from Q4 & FY25

- The company reported revenue of ~Rs 4.64 bn up ~20.2% YoY for the quarter and ~Rs. 14.5 bn up ~12.4% YoY for FY25 led by strong execution.
- The company's operating profit grew to ~Rs 0.49 bn up ~29.3% YoY. EBITDA margins for the quarter improved to ~10.5% up from 9.8% in Q4FY25 due to better internal efficiencies. Margins for FY25 stood at ~9.4% up 63 bps from FY24.
- The company reported PAT of ~Rs 0.39 bn up ~30% on YoY basis for the quarter. PAT for FY25 stood at ~Rs. 1.08 bn up ~25% YoY. PAT margins for the year stood at ~7.4% (6.7% in FY24).
- The company declared a final dividend of Rs. 12.5 per share.

Major Management Meet highlights:

- The company has robust order book of Rs 16.46 bn as on 30th April, 2025 and continues to see a strong pipeline. This order book has to be fully executed within a period of 1 year.
- The bid pipeline currently stands at ~Rs. 55-60 bn.
- The hit rate for larger order has improved over the last few years and the average order value has increased to ~Rs. 10-11 cr from ~Rs. 4 cr three years ago. ~50% of the order book comprises of orders more than Rs. 20 cr.
- The company is looking to book long term orders as it has a heavy order book giving it a healthy utilization visibility.
- The company is adding two new engineering centers in FY26 in order to expand its design and engineering capabilities.
- Volumes for FY25 were ~1,24,000 compared to ~1,09,000 in FY24 an increase of ~13.8%.
- The capex plans for Andhra Pradesh phase 2 and Kiccha expansion are on track and will be commissioned in Q1FY26. This will take the company's capacity to ~2,01,000.
- The new land acquired in Andhra Pradesh will be used for heavy structures and is expected to be commissioned by September 2026.
- The company is looking for organic and inorganic methods to expand capacity.
- The management is confident of growing 1.5-2x the industry growth and has guided for 17-18% topline growth in FY26. Margins should improve due to execution of larger projects.
- The management maintains its guidance of achieving Rs. 24-25 bn revenue by FY28 which almost double of its FY24 revenues.

Outlook and view:

IBSL has performed better than expected on all fronts with a robust order book indicating a strong visibility for FY26. The new heavy structure capacity coming in FY27 will add an avenue for faster growth for years to come. The new capacity addition will allow the business to scale faster. The company's debt free status and healthy cash position will allow them to fund both organic and inorganic growth via internal accruals.

We expect a CAGR growth of 25% / 32% / 29% for Revenue / EBITDA / PAT respectively for the period FY25-27e. We value the consolidated business at 23x FY27E earnings of INR 107.4/- with a revised target price of Rs. 2466.7 (Rs 2124.2 earlier) an upside potential of 20 %. Maintain BUY.

Dhiral Shah (+ 9122 6655 0074)
dshah@phillipcapital.in

Raunaq Sabharwal (+ 9122 6655 0075)
rsabharwal@phillipcapital.in

Key Financials: Rs. Mn

Year end	Net Sales	EBIDTA	PAT	EPS, Rs	P/E	EV/EBIDTA	P / BV	ROE	ROCE
FY24	12933	1130	863	59.8	NA	NA	NA	19.4%	23.1%
FY25	14538	1362	1078	64.8	31.7	23.8	4.6	14.4%	16.2%
FY26E	18600	1864	1420	85.3	24.1	17.4	3.9	16.3%	19.2%
FY27E	22766	2366	1785	107.2	19.2	13.7	3.3	17.5%	20.8%

Source: Company, PhillipCapital India Research

Financials

Income Statement

Y/E March, Rs. Mn	FY24	FY25	FY26E	FY27E
Net sales	**12,933**	**14,538**	**18,600**	**22,766**
Growth %	15%	12%	28%	22%
Raw Material Cost	8,238	8,891	11,327	13,819
Employee cost	1,190	1,470	1,804	2,186
Other expense	2,376	2,815	3,604	4,396
Total expense	11,803	13,176	16,736	20,400
EBITDA	**1,130**	**1,362**	**1,864**	**2,366**
EBIDTA margin (%)	8.7%	9.4%	10.0%	10.4%
Depreciation	80	118	152	202
EBIT	1,050	1,245	1,712	2,164
Finance Cost	22	24	30	38
Other income	130	207	217	260
PBT	1,159	1,427	1,898	2,386
Less: Taxation	296	349	478	601
Effective tax rate (%)	25.6%	24.4%	25.2%	25.2%
PAT	**863**	**1,078**	**1,420**	**1,785**
Growth %	5.9%	25.0%	31.7%	25.7%
PAT margin (%)	6.7%	7.4%	7.6%	7.8%
Wtd. Avg. Shares (Mn)	14.4	16.6	16.6	16.6

Balance Sheet

Y/E March, Rs. Mn	FY24	FY25	FY26E	FY27E
Equity capital	144	166	166	166
Reserves	4,302	7,348	8,560	10,060
Net worth	4,446	7,514	8,726	10,227
NCI	-	-	-	-
Non Current Liabilities	102	103	105	105
Current Liabilities	3,002	3,522	5,287	6,306
Total liabilities	**7,550**	**11,140**	**14,118**	**16,638**
Net block	1,629	2,147	2,852	3,651
CWIP	127	135	500	-
Total fixed asset	1,756	2,282	3,352	3,651
Intangible assets	2	4	4	4
Other non current assets	646	1,262	1,263	1,263
Current assets				
Investment	-	-	-	-
Inventory	1,468	1,657	2,038	2,495
Trade Recievables	1,708	2,110	2,548	3,119
Cash & bank Balance	1,377	1,988	3,150	4,239
Other Current assets	593	1,837	1,763	1,867
Total assets	**7,550**	**11,140**	**14,118**	**16,638**

Source: Company, PhillipCapital India Research

Cash Flow

Y/E March, Rs. Mn	FY24	FY25	FY26E	FY27E
PBT	1,159	1,427	1,898	2,386
Depreciation	80	118	152	202
Tax paid	296	349	478	601
Change in WC/other adjustment	(139)	1,314	(1,020)	112
Cash Flow from Operating activities	**1,082**	**(118)**	**2,592**	**1,875**
Capital Expenditure	231	556	1,229	519
Other intangible asset	31	90	(7)	(18)
Others	108	616	1	-
Cash Flow from Investing activities	**370**	**1,262**	**1,223**	**501**
Change in Equity	(409)	1,990	(208)	(284)
Change in Debt	(5)	(4)	(3)	-
Others	(112)	5	5	-
Cash Flow from Financing activities	**(526)**	**1,991**	**(206)**	**(284)**

Valuation Ratios

Y/E March, Rs. Mn	FY24	FY25	FY26E	FY27E
EPS	59.8	64.8	85.3	107.2
Book NAV / Share	308	452	524	615
DPS	-	12.5	17.1	21.4
Growth Ratios				
Net Sales (%)	15.1%	12.4%	27.9%	22.4%
EBIDTA (%)	6.2%	20.6%	36.8%	26.9%
PAT (%)	5.9%	25.0%	31.7%	25.7%
Return Ratios				
ROE (%)	19.4%	14.4%	16.3%	17.5%
ROCE (%)	23.1%	16.2%	19.2%	20.8%
Turnover Ratios				
Asset Turnover (x)	1.7	1.3	1.3	1.4
Fixed asset turnover (x)	7.9	6.8	6.5	6.2
Receivable Days	48	53	50	50
Inventory Days	41	42	40	40
Payable Days	57	71	60	60
Liquidity Ratios				
Current Ratio (x)	1.7	2.2	1.8	1.9
Interest Cover (x)	48.6	51.4	56.4	57.0
Total Debt / Equity (x)	0.0	0.0	0.0	0.0
Valuation Ratios				
PER (x)	NA	23.8	24.1	19.2
Price / Book (x)	NA	3.7	3.9	3.3
Price / Sales (x)	NA	1.8	1.8	1.5
EV / Sales (x)	NA	1.6	1.7	1.4
EV / EBIDTA (x)	NA	17.3	17.4	13.7

Rating Methodology

We rate stock on absolute return basis. Our target price for the stocks has an investment horizon of one year. We have different threshold for large market capitalisation stock and Mid/small market capitalisation stock. The categorisation of stock based on market capitalisation is as per the SEBI requirement.

Large cap stocks

Rating	Criteria	Definition
BUY	>= +10%	Target price is equal to or more than 10% of current market price
NEUTRAL	-10% > to < +10%	Target price is less than +10% but more than -10%
SELL	<= -10%	Target price is less than or equal to -10%.

Mid cap and Small cap stocks

Rating	Criteria	Definition
BUY	>= +15%	Target price is equal to or more than 15% of current market price
NEUTRAL	-15% > to < +15%	Target price is less than +15% but more than -15%
SELL	<= -15%	Target price is less than or equal to -15%.

Disclosures and Disclaimers

PhillipCapital (India) Pvt. Ltd. has three independent equity research groups: Institutional Equities, Institutional Equity Derivatives, and Private Client Group. The views and opinions expressed in this document may, may not match, or may be contrary at times with the views, estimates, rating, and target price of the other equity research groups of PhillipCapital (India) Pvt. Ltd.

This report is issued by PhillipCapital (India) Pvt. Ltd., which is regulated by the SEBI. PhillipCapital (India) Pvt. Ltd. is a subsidiary of Phillip (Mauritius) Pvt. Ltd. References to "PCIPL" in this report shall mean PhillipCapital (India) Pvt. Ltd unless otherwise stated. This report is prepared and distributed by PCIPL for information purposes only, and neither the information contained herein, nor any opinion expressed should be construed or deemed to be construed as solicitation or as offering advice for the purposes of the purchase or sale of any security, investment, or derivatives. The information and opinions contained in the report were considered by PCIPL to be valid when published. The report also contains information provided to PCIPL by third parties. The source of such information will usually be disclosed in the report. Whilst PCIPL has taken all reasonable steps to ensure that this information is correct, PCIPL does not offer any warranty as to the accuracy or completeness of such information. Any person placing reliance on the report to undertake trading does so entirely at his or her own risk and PCIPL does not accept any liability as a result. Securities and Derivatives markets may be subject to rapid and unexpected price movements and past performance is not necessarily an indication of future performance.

This report does not regard the specific investment objectives, financial situation, and the particular needs of any specific person who may receive this report. Investors must undertake independent analysis with their own legal, tax, and financial advisors and reach their own conclusions regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in this report and should understand that statements regarding future prospects may not be realised. Under no circumstances can it be used or considered as an offer to sell or as a solicitation of any offer to buy or sell the securities mentioned within it. The information contained in the research reports may have been taken from trade and statistical services and other sources, which PCIL believe is reliable. PhillipCapital (India) Pvt. Ltd. or any of its group/associate/affiliate companies do not guarantee that such information is accurate or complete and it should not be relied upon as such. Any opinions expressed reflect judgments at this date and are subject to change without notice.

Important: These disclosures and disclaimers must be read in conjunction with the research report of which it forms part. Receipt and use of the research report is subject to all aspects of these disclosures and disclaimers. Additional information about the issuers and securities discussed in this research report is available on request.

Certifications: The research analyst(s) who prepared this research report hereby certifies that the views expressed in this research report accurately reflect the research analyst’s personal views about all of the subject issuers and/or securities, that the analyst(s) have no known conflict of interest and no part of the research analyst’s compensation was, is, or will be, directly or indirectly, related to the specific views or recommendations contained in this research report.

Additional Disclosures of Interest:
Unless specifically mentioned in Point No. 9 below:

1. The Research Analyst(s), PCIL, or its associates or relatives of the Research Analyst does not have any financial interest in the company(ies) covered in this report.
2. The Research Analyst, PCIL or its associates or relatives of the Research Analyst affiliates collectively do not hold more than 1% of the securities of the company (ies)covered in this report as of the end of the month immediately preceding the distribution of the research report.
3. The Research Analyst, his/her associate, his/her relative, and PCIL, do not have any other material conflict of interest at the time of publication of this research report.
4. The Research Analyst, PCIL, and its associates have not received compensation for investment banking or merchant banking or brokerage services or for any other products or services from the company(ies) covered in this report, in the past twelve months.
5. The Research Analyst, PCIL or its associates have not managed or co(managed in the previous twelve months, a private or public offering of securities for the company (ies) covered in this report.
6. PCIL or its associates have not received compensation or other benefits from the company(ies) covered in this report or from any third party, in connection with the research report.
7. The Research Analyst has not served as an Officer, Director, or employee of the company (ies) covered in the Research report.
8. The Research Analyst and PCIL has not been engaged in market making activity for the company(ies) covered in the Research report.
9. Details of PCIL, Research Analyst and its associates pertaining to the companies covered in the Research report:

Sr. no.	Particulars	Yes/No
1	**Whether compensation has been received from the company(ies) covered in the Research report in the past 12 months for investment banking transaction by PCIL**	**No**
2	**Whether Research Analyst, PCIL or its associates or relatives of the Research Analyst affiliates collectively hold more than 1% of the company(ies) covered in the Research report**	**No**
3	Whether compensation has been received by PCIL or its associates from the company(ies) covered in the Research report	No
4	PCIL or its affiliates have managed or co(managed in the previous twelve months a private or public offering of securities for the company(ies) covered in the Research report	No
5	Research Analyst, his associate, PCIL or its associates have received compensation for investment banking or merchant banking or brokerage services or for any other products or services from the company(ies) covered in the Research report, in the last twelve months	No

Independence: PhillipCapital (India) Pvt. Ltd. has not had an investment banking relationship with, and has not received any compensation for investment banking services from, the subject issuers in the past twelve (12) months, and PhillipCapital (India) Pvt. Ltd does not anticipate receiving or intend to seek compensation for investment banking services from the subject issuers in the next three (3) months. PhillipCapital (India) Pvt. Ltd is not a market maker in the securities mentioned in this research report, although it, or its affiliates/employees, may have positions in, purchase or sell, or be materially interested in any of the securities covered in the report.

Suitability and Risks: This research report is for informational purposes only and is not tailored to the specific investment objectives, financial situation or particular requirements of any individual recipient hereof. Certain securities may give rise to substantial risks and may not be suitable for certain investors. Each investor must make its own determination as to the appropriateness of any securities referred to in this research report based upon the legal, tax and accounting considerations applicable to such investor and its own investment objectives or strategy, its financial situation and its investing experience. The value of any security may be positively or adversely affected by changes in foreign exchange or interest rates, as well as by other financial, economic, or political factors. Past performance is not necessarily indicative of future performance or results.

Sources, Completeness and Accuracy: The material herein is based upon information obtained from sources that PCIPL and the research analyst believe to be reliable, but neither PCIPL nor the research analyst represents or guarantees that the information contained herein is accurate or complete and it should not be relied upon as such. Opinions expressed herein are current opinions as of the date appearing on this material, and are subject to change without notice. Furthermore, PCIPL is under no obligation to update or keep the information current. Without limiting any of the foregoing, in no event shall PCIL, any of its affiliates/employees or any third party involved in, or related to computing or compiling the information have any liability for any damages of any kind including but not limited to any direct or consequential loss or damage, however arising, from the use of this document.

Caution: Risk of loss in trading/investment can be substantial and even more than the amount / margin given by you. Investment in securities market are subject to market risks, you are requested to read all the related documents carefully before investing. You should carefully consider whether trading/investment is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances. PhillipCapital and any of its employees, directors, associates, group entities, or affiliates shall not be liable for losses, if any, incurred by you. You are further cautioned that trading/investments in financial markets are subject to market risks and are advised to seek independent third party trading/investment advice outside PhillipCapital/group/associates/affiliates/directors/employees before and during your trading/investment. There is no guarantee/assurance as to returns or profits or capital protection or appreciation. PhillipCapital and any of its employees, directors, associates, and/or employees, directors, associates of PhillipCapital's group entities or affiliates is not inducing you for trading/investing in the financial market(s). Trading/Investment decision is your sole responsibility. You must also read the Risk Disclosure Document and Do's and Don'ts before investing.

Kindly note that past performance is not necessarily a guide to future performance.

For Detailed Disclaimer: Please visit our website www.phillipcapital.in

IMPORTANT DISCLOSURES FOR U.S. PERSONS

For U.S. persons only: This research report is a product of PhillipCapital (India) Pvt. Ltd., under Marco Polo Securities 15a-6 chaperone service**,** which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

Research reports are intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, PhillipCapital (India) Pvt. Ltd. has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be affected through Marco Polo or another U.S. registered broker dealer.

PhillipCapital (India) Pvt. Ltd.
Registered office: 18th floor, Urmi Estate, Ganpatrao Kadam Marg, Lower Parel (West), Mumbai – 400013, India.
Compliance Officer: Mr. Rohan Raut
Phone: 022-24831919, Customer Care Contact: 022 – 24831848 / 1800 221 331
E-mail:
-Client account queries & information: contact@phillipcapital.in
-Compliance Officer/Client Grievances: customeraffairs@phillipcapital.in
SEBI Registration No:- INH000001345